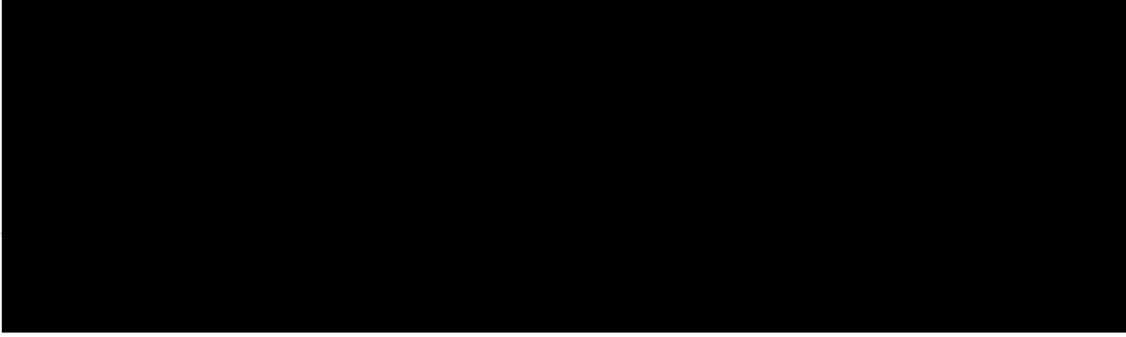


SUBJECT: Comments on Allegations made to Chairman Nedzi,  
Intelligence Subcommittee of House Armed Services  
Committee, by Seymour Hersh

1. Below are Agency comments, coordinated with appropriate components, on points made by Seymour Hersh in a conversation with Chairman Nedzi, of the Intelligence Subcommittee of House Armed Services Committee, in November of 1972.

a. Allegation - CIA conducts surveillance operations in some 35 or 40 cities and is moving into the vacuum created by Hoover's death and the subsequent disarray in the FBI.

Fact - Completely false.



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c. Allegation - CIA is "out of control"--it has inadequate internal control and virtually no control by the Congress.

Fact - CIA reports directly to the National Security Council and through it to the President. It receives regular guidance from subcommittees of the National Security Council. It also reports to the President's Foreign Intelligence Advisory Board made up of distinguished private citizens.

Its financial affairs are subject to the scrutiny of the Office of Management and Budget and by Appropriation Subcommittees of both the House and Senate. All of its activities are subject to review by subcommittees of both the House and Senate Armed Services Committee. In addition, it periodically briefs other congressional committees on matters within their purview and has never failed to respond to requests of congressional committees on matters within the Agency's competence or the committees' jurisdiction. Over the past five years the Agency has averaged 26 briefings of congressional committees or subcommittees per year. In addition, it has averaged 81 briefings of individual members of the Congress per year. Agency offices overseas frequently brief congressional visitors on the local scene.

It has been contended that the Agency has failed to keep the Congress adequately informed of its operations in Laos in recent years. The record shows that in fact the Senate committees alone have been briefed on this subject on 28 occasions and 58 members of the Senate have been kept fully informed of the Agency's role in Laos.

d. Allegation - Hersh's "instincts" tell him that something major is happening (as of last November) in CIA and his "instincts" are infallible."

Fact - Mr. Hersh is entitled to apply his own standards in evaluating his own instincts.

e. Allegation - There are now serious leaks in CIA and the result is that we are in a "new world." "Helms is through" and plans to retire next year when he is sixty. He is praised by those above him but damned by those who work for him. He likes the "dirty tricks" business. He sometimes acts as "control officer" on operations reaching several echelons down the chain of command.

Fact - There have indeed been several mischievous and troublesome leaks about the Agency in the past year, apparently attributable almost entirely to three disgruntled former employees-- Marchetti, [redacted]

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Helms' retirement at 60 is in line with established Agency policy. His reputation among his subordinates is attested to by the fact that the Agency has one of the lowest turnover rates and employee - complaint rates of any Federal agency. Periodic surveys of employee attitudes reveal a normal degree of criticism and frustration but an overall moral situation well above average for a large bureaucracy. Helms has never been a strong advocate of the so-called "dirty tricks" component of the Agency but throughout his career has been associated with intelligence collection. Because of his long experience in clandestine operations, he occasionally does indeed take an active part in the direction of such operations.

f. Allegation - Hersh has a memo from a "former agent" regarding the use by CIA of U.S. Special Forces to infiltrate into certain Latin American countries by air and sea to carry out assassination and sabotage missions. (Presumably these special forces units have captured former Nazi officials in South America and turned them over to the Israelis.)

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Fact - Allegation of Agency involvement with the Special Forces to carry out assassination and sabotage missions in South America have appeared in various forms in the press, most recently in [REDACTED] They are completely false.

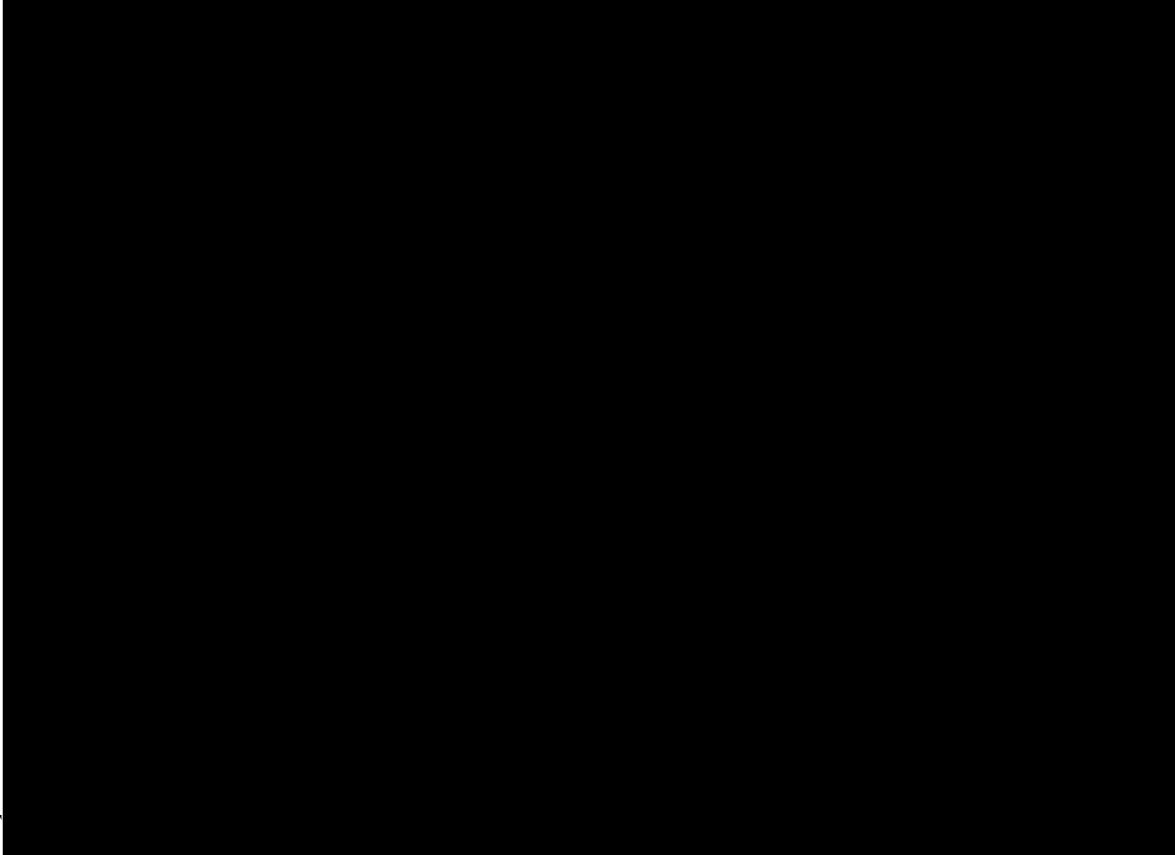
g. Allegation - CIA has its own "Rocky Mountain Airline" which it uses to transport heroin.

Fact - Despite allegations by Jack Anderson and others there is no such thing as a "Rocky Mountain Airline." There is a "Rocky Mountain Airways" in Colorado which has no Agency connection.

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k. Allegation - Representative Podell was paid \$10,000 by the Israelis for his public criticism of the Soviet treatment of Jews. (Nedzi said he wouldn't be surprised if this was true.)

Fact - CIA has no information.



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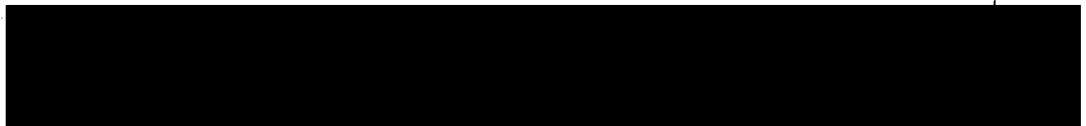
m. Allegation - A U.S. submarine on a reconnaissance mission ran aground at Murmansk harbor in 1967, and the U.S. is conducting electronic and photographic reconnaissance in the harbors of both Murmansk and Vladivostok.

Fact - Since this appears to involve a Navy matter, we are in no position to comment.

n. Allegation - There was a big controversy between the operational and intelligence sides of CIA regarding the Penkovskiy case and the analysts on the intelligence side were kept in the dark as to the facts for two years. In the handling of the case one hand didn't know what the other was doing. Both the 'Penkovskiy Papers' and Khrushchev Remembers were produced by CIA.

Fact - There was no significant problem in the handling of the Penkovskiy operation or the material it produced. Analysts were promptly and fully provided with this material by the operational component, but the specific source was not revealed.

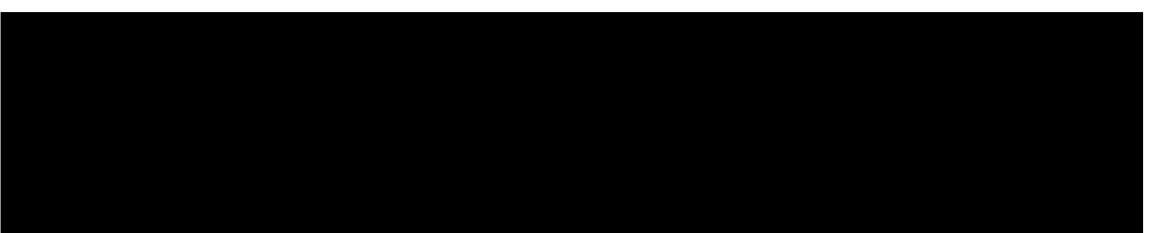
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CIA had no connection whatever with Khrushchev Remembers.

o. Allegation - CIA "special forces" are assisting the Ethiopians in the fighting in Eritrea.

Fact - Totally false.



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q. Allegation - In Laos the U.S. bombed Communist-controlled poppy fields in order to drive the price up for the benefit of Vang Pao.

Fact - Totally false.



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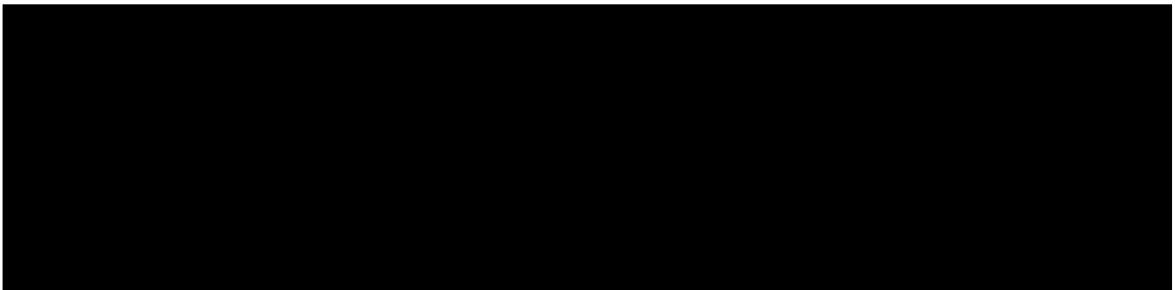


s. Allegation - A CIA official has confided that we have successfully conned all of our congressional oversight committees.

Fact - Interesting, if true.

t. Allegation - CIA has been forging letters reported to be from African students to discredit Chinese representatives in Africa.

Fact - Totally false.



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v. Allegation - Hersh has "positive Proof" that CIA is directly involved in the drug traffic in Southeast Asia.

Fact - Allegations about CIA involvement in the drug traffic have been repeatedly investigated and in each case found to be completely without substance. Those supporting the allegations have never been able to produce supporting evidence.

w. Allegation - "CIA spooks" meet regularly in Pouget's restaurant and talk freely about their operational activities.

Fact -

Fact - When CIA occupied buildings in downtown Washington employees would frequently lunch at Pouget. Since we moved to Langley twelve years ago, this has not been the case.